

10-121

January 11, 1958

## MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of Chairman Cannon of the House Appropriations Committee.

At Mr. Cannon's request, I called alone to see him on the afternoon of January 8, and spent about an hour with him. It was clear from the outset that Mr. Cannon did not wish to discuss our budget problems, but wished to get a general briefing from me with regard to certain phases of the world situation, and in particular Soviet advances in the armament field and our relative position vis-a-vis the Soviet Union. I gathered, and this impression was confirmed, by a casual conversation I had subsequently with Senator Saltonstall, that Mr. Cannon was gathering information in order to orient himself with respect to the overall budget requests. In the course of the conversation he remarked that he thought that the President's request for supplementary defense funds for FY 1958 should be promptly granted.

Mr. Cannon's questions covered the field of missiles, submarines, aircraft, etc., and I gave him the same general information previously given to the Johnson Committee and the Vinson Subcommittee. Mr. Cannon then asked about my views as to our general situation vis-a-vis the Soviet Union and I said that while I was not really competent to pass upon the technical details of our own position in the military field, I could give him certain impressions. I said that I saw no reason to get panicky but that a special effort would be required to close the gap with the Soviet in the field of ballistic missiles. I made it clear that in my opinion at the present time we were probably stronger than the Soviet Union in the overall military field, particularly because of our great retaliatory capability in the bomber and nuclear fields. I also stressed our geographical advantages due to our overseas bases and hence our nearness to the USSR heartland.

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Mr. Cannon seemed particularly interested in the Soviet submarine development, and I carefully explained our views with regard to the Soviet submarine threat to the USA and corrected the impression he apparently had that the Soviet had ballistic missile submarines. I said that undoubtedly this was an objective of the Soviet but that we had no evidence that they had yet acquired this capability but possibly had a small number of submarines equipped to launch air-breathing missiles.

One subject which particularly interested Mr. Cannon was the question of foreign aid, and he mentioned that he had the problem of appointing a representative on the subcommittee which dealt with foreign aid, to take the place of Mr. Lanham. I stressed the extent and nature of the Soviet drive to take over uncommitted and under-developed areas of the world through the process of economic penetration and subversion, and that it was important not only to deal with the military menace but with the economic and subversive menace as well. I pointed out that questions relating to foreign economic and military aid were not within my competence although we did have to deal with problems arising from Soviet subversion and were carefully analyzing and reporting on the Soviet economic techniques.

25X1 (I advised  of what Mr. Cannon had to say on this particular subject).

The meeting with Mr. Cannon was extremely friendly throughout. His only reference to budget matters was an inquiry as to whether I had enough money and I said that we would get through FY '58 all right and that we were asking for a slightly smaller appropriation in FY '59 since our reserve had been built up to the safety point.

I told Mr. Cannon we would be ready to appear before his subcommittee at any time at his convenience. He thanked me but did not indicate when he would desire this.

Allen W. Dulles  
Director



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